



Litepaper

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Introduction

Non-Fungible Tokens (NFTs) provide clear value to art and other creative mediums: provenance of ownership and authenticity. With participation from powerhouses such as Christie's and Sotheby's, digital fine arts in the form of NFTs are here to stay. And in the development of this new space, what should be the focus? Creators. Curators. Collectors. Community. Seasons (styled SZNS or szns) is an NFT platform to bring all those actors together.

SZNS introduces the concept of Albums, where artists/creators and curators create collections of NFTs for others to invest in a social gallery experience. Each Album has its own token that represents ownership of the NFT collection, and collectors can support their favorite artists and curators while interacting with each other in a fun NFT collecting experience on the SZNS platform.

With SZNS, we want to build community-driven tools that provide solid infrastructure to the entire NFT ecosystem, combining crypto-incentive structures, social media tools, and digital content management.

SZNS Albums

SZNS introduces a permissionless way for anyone to create an index of a curated collection of NFTs - a first of its kind project empowering creators, curators, and collectors alike.

As the NFT space matures, we begin to see not only a growth in NFT creators, but curators who have an eye for collecting high-value NFT collections. A curator can use infrastructure built by the SZNS platform to tokenize not just one but a collection of NFTs. By extension, collectors can consume, collect, trade, and participate in owning an album of uniquely grouped/tailored NFTs created by curators and collectors all over the world. Rather than purchasing individual NFTs or investing in a single, fractionalized NFT, collectors can now gain exposure to a specific creator/curator's entire collection.

We envision a variety of use-cases for Albums and how future developments of the protocol can open up new interactions between various NFT users from creators to investors. For example, Albums open opportunities to function as DAOs where owners of an Album token can create a community around their collection. We are excited by this future and will develop a suite of features that facilitate meaningful interactions between NFT creators and collectors.

Use-cases

In this section we explore how various participants of the NFT ecosystem can use SZNS Albums. We focus on three distinct groups - collectors, creators, and curators:

NFT collectors

An NFT collector is anyone who enjoys and participates in the purchase and keeping of NFTs. Previously NFT collectors were limited in their ability to unlock the value of their NFTs. With SZNS, any NFT collector or holder can create an Album to allow others to expand their collection, while giving them the ability to obtain liquidity without forfeiting complete ownership of their precious NFTs.



SZNS is a solution for @trentelme

From an investing perspective, an NFT collector would come to SZNS to gain exposure not only to the underlying NFTs themselves but also to other NFT collectors/curators, much like how one would invest in a good fund manager.

SZNS Albums also introduces an interesting opportunity to explore and redefine the concept of ownership for art. Fine art has always been reserved for the wealthy, with most people left out to simply enjoy from afar. The psychological impact of ownership via fractionalization is powerful. For example, suppose John loves Beeple's "Into the Ether" piece but cannot afford the whole piece. If John owns Album tokens that hold Beeple's "Into the Ether", John can order a print of Beeple's "Into the Ether" piece to hang on his wall and feel a certain sense of ownership in displaying the piece. By introducing fractional ownership of the NFTs in an Album, we democratize access to fine art.

NFT creators and artists

An artist or creator now has a different way of attracting collectors and investors. When artists today earn income via sales of their art, they usually forfeit the appreciation of their work and are ill-equipped to capture its upside. Now with SZNS Albums, an artist can group their art into a collection and let people all over the world invest in the collection. By retaining a certain portion of ownership of the Album, the artist can now capture the appreciation of their works. In effect, SZNS Albums allow artists to invest in themselves.

Instead of selling each piece individually, creators can deposit their NFTs into a Album based on a particular theme and let people all over the world invest in the collection. For example, @fvckrender could create a Album of his 2021 1:1 works, and instead of having to sell it to only one person, many supporters of @fvckrender can become co-owners of his work. We have already seen successful models of this via [B20](#).

This model is especially powerful, as it hints at enabling the intersection of social tokens + NFT indexes, where creators can interact with all of their supporters/investors as a community via SZNS.

NFT curators

An NFT curator is a collector who manages a specific collection of NFTs to be interpreted and positioned as valuable in the overall NFT marketplace. Curators play a role in separating signal from noise in the overall NFT ecosystem and help collectors understand the value of their collections.

Anyone now has a chance to make a name for themselves as a curator who has an eye for selecting desirable NFTs. We understand that not every Album created will be popular or even achieve notable levels of liquidity. We'd go even further to say that's okay and great! We want to create a platform that enables and gives the opportunity for all to make a name for themselves. Each curator who creates an Album is tasked with the onus of attracting co-owners and investors, which is no small feat.

Furthermore, curation as a concept deserves significant attention today as the next decade of NFTs will be marked with serious attempts at value appraisal and discovery. We believe curators will play a central role in that journey.

Our desire is that SZNS is home to curated NFT albums of all kinds - collections as popular as B20 as well as those of John and Jane Doe who wish to show the world their trendsetting NFT curation.

How It Works

Any user with an NFT collection they'd like to create an index for can simply deposit those NFTs into the SZNS smart contract to create an Album. The user sets the terms for the Album sale, such as:

- The NFTs included
- Album token name and ticker
- % of tokens being sold
- Sale price per token
- Duration of sale

Suppose Alice has a valuable collection of NFTs which she believes will appreciate over time and would like others to gain exposure to. She would create an Album with a selection of her NFTs with the token ticker such as \$sznALICE. 1,000,000 \$sznALICE album tokens are created and she decides to offer 50% (500,000

\$sxnALICE tokens) for sale to other investors, at a price of 0.001ETH per token. She sets the sale duration for 2 weeks and creates the Album.

The Album called Alice is then created with the selection of NFTs locked in the SZNS smart contract. Other users of SZNS can then invest in Alice's Album according to her established terms.

Once the sale is over the ownership of Alice's basket of NFTs is now shared across various investors! Alice has successfully democratized access and ownership to her highly desired NFTs. From a collector's perspective, it's an opportunity to invest in NFT curators themselves, much like how one would invest in a good fund manager. From a creator's perspective, they have widened distribution of their NFTs and have gained access to liquidity. Furthermore it's an opportunity for any NFT collector to make a name for themselves as a curator of high-quality NFTs.

At any point, if an individual or group who owns \$sxnALICE would like direct ownership of all the underlying NFTs in the SZNS smart contract themselves, they can propose a buyout.

Buyouts

A buyout is a process by which a holder of a particular Album token can offer a price to "buy out" the remaining holders so that the buyout proposer may liquidate the Album to access the underlying NFTs held by the SZNS smart contract.

There are certain conditions that must be met for a successful buyout. First, the proposer must own 20% or more of the underlying Album tokens.

In proposing a buyout, the proposer specifies the amount in ETH they are willing to pay to buyout the Album. For example, suppose Bob proposes 10 ETH to buy out the remainder of \$sznALICE holders. If accepted, the 10 ETH will be distributed in proportion to the ownership stake of all \$sznALICE holders (meaning someone who holds 15% of \$sznALICE would be paid 1.5 ETH).

Anytime a buyout is proposed, all holders of the Album token will be notified. They can then vote to accept or reject the proposal.

Rejecting a proposal requires a minimum of 10% of \$sznALICE token supply worth of holders. Accepting a proposal on the other hand, requires a quorum of 85%. If quorum is not achieved on a proposal for 4 weeks, then the buyout is automatically rejected. Each proposal has a minimum time requirement of 2 weeks. Some other rules are:

- Rejections (10% min quorum) will reject the proposal immediately
- Acceptance (85% min quorum) requires 2 weeks before proposal close
- In a scenario where 85% quorum had been reached for 2 weeks but 10% comes out to reject the buyout in the 3rd week, the proposal will be rejected (this is to minimize the risk of malicious proposals that aim to pass a buyout quickly)

All of these parameters (20% to propose, 10% minimum for rejection, 85% quorum for acceptance, 4 week proposal period) are subject to change as we explore the game theory for an optimal buyout process and ultimately at the discretion of the governance of \$SZNS tokenholders.

Album Governance

We mentioned above how one might view an Album as a DAO where Album token holders can interact with each other and the creator on a variety of levels. The buyout module specified above is an implementation of a governance framework where future extensions could include other features such as buying/selling individual NFTs in an album, more complex treasury management, and more. We're excited to see how this concept evolves as the protocol improves and develops further.

What is the Utility of the \$SZNS Token?

The \$SZNS token primarily serves as a governance token for the SZNS ecosystem. However there are some unique aspects of value accrual that are unique to \$SZNS.

Every time an Album is created, 1% (subject to change via governance) of those derivative Album tokens are sent to the SZNS treasury. Thus, at a baseline, SZNS treasury is worth 1% of all Albums created and valued in the market. This means that holding \$SZNS gives you the broadest exposure to the NFT space as it is an umbrella token that encompasses all of the various baskets of NFTs across SZNS Albums.

The fees generated from Album creation can be paid out as rewards to holders of \$SZNS or be used in other ecosystem initiatives. To that end, \$SZNS is a governance token whereby holders can contribute to changing various requirements/parameters of the platform itself as well as how future revenue may be distributed amongst holders.

\$SZNS is also the pair asset for every Album pool created in SZNS. Every Album created can have its own set of LPs for the Album token, with \$SZNS as the paired token in the liquidity pool. We believe projects like Thorchain (\$RUNE) and Bancor (\$BNT) where the native token is used as a reserve asset in their respective AMMs highlights an underestimated value accrual mechanism. By using \$SZNS as the reserve asset in each pair of Albums, not only does \$SZNS price become almost deterministic by capturing the increasing value and liquidity of the protocol's Albums, it also aligns protocol owners with liquidity providers.

SZNS Governance & Future Developments

\$SZNS tokenholders will govern various aspects of the SZNS protocol. Some parameters and features of the protocol that will be subject to governance are:

- % of \$Album tokens sent to SZNS treasury at time of Album creation
- Parameters for buyouts
- \$SZNS incentives
- Selection of featured artists & curators

We envision SZNS developing into a hub of various NFT services with development led by both the core team and the community. As active participants in the

decentralized future we're excited by the opportunity to explore how we can build and integrate the improving web3 technology stack to offer services that combine NFTs, DeFi, and decentralized infrastructure. We see the following in our next roadmap:

- SZNS Community - social and community tooling and features around SZNS Albums
- SZNS Minting - our own NFT minting service tackling the problem of true persistence and decentralization in NFT storage
- SZNS Marketplace
- SZNS Auctions
- And more

We expect that as the platform matures, the depth of governance will increase as well. We fully envision future features and functionality built and governed by the community.

\$SZNS Governance Token Distribution

You can find details of our token distribution here, which will be updated soon.

Liquidity Incentives

We will host various rewards programs to incentivize the use of the SZNS protocol. You can find details of the first liquidity incentive program once the \$SZNS governance token distribution above is announced. Future incentives will be decided by the community and updated accordingly.

Disclaimer: The contents of this litepaper are subject to change. All changes will be communicated.